

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7547**

**BILL NUMBER:** SB 367

**DATE PREPARED:** Jan 5, 1999

**BILL AMENDED:**

**SUBJECT:** Municipal fiscal matters.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill has the following provisions:

- (1) A levee authority is required to use the invoice method rather than the claim method of payment.
- (2) A governmental entity is allowed to pay claims before receiving grant money for which reimbursement has been requested, with the prior approval of the board having jurisdiction over allowance of payment of the claim.
- (3) The fiscal officer of a second class city is not liable for an act or omission in connection with the performance of certain duties of the officer unless the act or omission constitutes gross negligence or an intentional disregard of the fiscal officer's duties.
- (4) A municipality may deposit license fees from parking meters in a special account of the general fund in addition to a special fund. The municipal fiscal body is allowed to transfer money to the special account of the general fund or to the special fund if the fiscal body determines that the transfer is necessary and the transfer is made at a regular public meeting and by ordinance or resolution.
- (5) It increases from one week to two weeks the amount of time a political subdivision has to respond in writing to the State Board of Tax Commissioners' notice of a revision, reduction, or increase in the political subdivision's tax levy or rate.

**Effective Date:** Upon passage; July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (1) This provision changes the method of payment for goods and services provided to the Vanderburgh County Levee Authority established under IC 14-27-6. Currently, the levee authority uses the claim method to pay for goods and services received. This method requires the vendor providing the goods or services to sign a claim form prior to receiving payment for goods or services provided to the levee authority. This bill no longer requires the vendor to sign a claim form and allows the levee authority to pay from an invoice or a bill of goods and services received. This bill allows for payment of goods and services to be made in a more timely manner. The fiscal impact of this bill is dependent on local action.

(2) This provision of the bill allows a governmental entity to pay claims before receiving grant money for which reimbursement has been requested. The claims cannot be paid without the prior approval of the board having jurisdiction over allowance of payment of the claim. This provision could allow for claims to be paid in a more timely manner.

(3) Currently a fiscal officer of a second class city is held liable in an individual capacity for any act or omission occurring in connection with the performance of specific duties. A fiscal officer of a second class city may be sued in both a professional and individual capacity. The double lawsuits increase the legal expenses for both a governmental entity and an individual. This provision provides that the fiscal officer of a second class city is not liable in an individual capacity for an act or omission occurring in connection with the performance of certain duties unless the act of omission constitutes gross negligence or an intentional disregard of the fiscal officer's duties. There are 18 second class cities in Indiana. The fiscal impact of the provision is dependent on the number of settlements and claims paid by a political subdivision.

(4) This bill also provides that the municipal fiscal body may transfer money to the special account of the general fund or the special fund if the fiscal body determines that the transfer is necessary to pay expenditures authorized under IC 36-9-12-4 and the transfer is made at a regular public meeting and by proper ordinance or resolution. The fiscal impact of this provision is dependent on local action.

The remaining provisions of this bill have no fiscal impact.

**Explanation of Local Revenues:** (4) Currently, license fees collected from parking meters are deposited in a special fund to pay for items specified in statute. This bill allows the parking meter fees to be deposited in **either** a special fund **or** a special account of the general fund. The fees in the special account of the general fund are to be used for the same purposes as those fees deposited in the special fund.

**State Agencies Affected:**

**Local Agencies Affected:** Vanderburgh County Levee Authority; Second class city; Municipal fiscal body; Political subdivision.

**Information Sources:**